

# California Production Scheduling and Balancing Overview

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# Objectives

- **What is Gas Scheduling?**
- **Authorized Agents & CPBA's**
- **What are Monthly Gas Imbalances?**
- **Imbalance Trading**
- **Remaining Imbalances after Trading**



# What is Gas Scheduling?

**Gas Scheduling:** Is the process of moving gas from one's supply to one's market.

Whereas the interconnection process deals with the physical flowing of the gas, **Gas Scheduling** deals with the transactional aspect.

Gas Scheduling is accomplished through **Nominations**



# What is Gas Scheduling?

## A Nomination...

- Is industry jargon for an order
- Has a source and destination (among other attributes)
- Is the means by which title is transferred
- Requires a transportation contract to move the gas from one location to another, e.g., from a meter or a pool to the CityGate market (per Rule 14)
- Gets “confirmed” and then “scheduled”
  - Ensures contractual compliance
  - Ensures the volume is within the pipeline’s capacity



## Authorized Agents & CPBA's

- **Producers** can select from a variety of **Authorized Agents (AA)** with whom they can contract to bring their natural gas to market.
- The Authorized Agent enters into a **California Production Balancing Agreement (CPBA)** (Form No. 79-944) with PG&E.
- The CPBA stipulates that an Authorized Agent is the exclusive agent for one or more producers.
- The Authorized Agent operating under a CPBA is responsible for nominating the gas as well financially responsible for managing & clearing imbalances to avoid:
  - Monthly Imbalance Cashouts
  - OFO & EFO Non-compliance Charges



# California Production Monthly Gas Imbalances



*Production*

*Scheduled Imbalance*

100

Balanced

100

=

0

100

Over-Delivered

50

=

+ 50

100

Under-Delivered

150

=

- 50



# Imbalance Trading

## Imbalance Trading Period for CPBA:

- **Starts:** On the 15<sup>th</sup> of each month (for the previous month's activity)
- **Ends:** On the last business day of each month

## Monthly Tolerance Band:

- Any monthly CPBA imbalance greater than +/- 150 Dth which remains at the close of the Trading Period, will be cashed out to zero (0) at the posted cash out rate per the CPBA agreement (Form No. 79-944).
- Imbalances within the monthly tolerance band (+/- 150 Dth) can be forwarded to the next trading period.



# Remaining Imbalances after Trading

## CPBA Cash out Rates

- Untraded imbalance volumes greater than +/- 150 Dth monthly tolerance band are cashed out to zero (0).
- The CPBA cash out rates each have 2 Tiers, and differ for Over-deliveries and Under-deliveries.

CPBA Cashout Rates (\$/Dth)		
	Tier I	Tier II
	0 - 10%	Over 10%
Overdeliveries	\$1.3353	\$0.5538
Underdeliveries	\$2.7296	\$3.9052
Note: All figures are \$/Dth. Your imbalance statement / Detail of Bill is stated in therms.		





**Thank you!!**

**Questions?**